GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:903
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Employment in MSME Sector
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Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the number of persons employed in the Micro, Small and Medium Enterprises (MSME) sector in the country at present, State-wise;

(b) whether the Government has set any target to create employment in the MSME sector;

(c) if so, the details thereof, State/UTwise;

(d) the details of various schemes/ programmes being implemented to promote the MSME sector in the country; and

(e) the funds allocated/released and utilised under the said schemes/ programmes during each of the last three years and current year, State/UT-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI HARIBHAI PARATHIBHAI CHAUDHARY)

(a): The Government monitors the employment in the MSME sector in the country by conducting All India Census of the sector, periodically. As per the last Census (Fourth) of Micro, Small & Medium Enterprises data collected with reference to base year 2006-07, as well as data extracted from the Economic Census 2005 conducted by Central Statistical Office (CSO), Ministry of Statistics & Programme Implementation (MoSPI), for activities excluded from Fourth Census, namely wholesale/retail trade, legal, educational and social services, hotel & restaurants, transports and storage & warehousing (except cold storage), the total employment in the MSME sector was 805.24 lakh. The State-wise details of the employment in the MSME Sector are given in Annexure-I.

(b)&(c): Even though all the schemes of the Ministry of MSME are geared towards development and promotion of the MSME Sector, not all the schemes have targets in terms of direct estimated employment since schemes do also have stated aims of modernization, promotion of business, encouraging environment friendly technology etc. The PMEGP, however, has targets in terms of generation of Employment.

The Ministry of MSME is implementing Prime Minister's Employment Generation Programme (PMEGP) which is a major credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth. KVIC is the national level nodal agency for implementation of PMEGP. Any individual above 18 years of age is eligible, for setting up of projects costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification. General category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as scheduled caste/ scheduled tribe/ OBC/ minorities/ women, ex-serviceman, physically handicapped, NER, Hill and Border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of projects is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector.

State-wise allocation of margin money subsidy which is treated as target as also the achievements in term of the margin money subsidy utilized, the corresponding number of projects assisted and estimated employment generated during the last three years and current year is given at Annexure-II.

(d): All the promotional activities undertaken by the Ministry of Micro Small and Medium Enterprises (MSME), Govt. of India are in pursuance of the MSME Development Act, 2006. All the schemes of the Ministry of MSME are geared towards promotion, development and enhancement of competitiveness of MSME engaged in manufacturing and services. List of the major such schemes of the Ministry {including those of Office of Development Commissioner (MSME)} is given as Annexure-III.

(e): For implementing various schemes for the development of MSMEs, Government allocated Rs. 2600.00 Crore, Rs. 2500.00 Crore and Rs. 2620.00 Crore for 2013-14 (RE), 2014-15 (RE) and 2015-16(RE), respectively. Plan Outlay for the year 2016-17 (BE) is Rs. 3000.00 Crore. Since the schemes of the Ministry of MSME provide for funding assistance on demand from the beneficiaries/ stake-holder and also on the basis of their readiness for implementation of projects, the state-wise figures do not signify any particular basis of State-wise distribution of funds. Further, a large share of funds goes for industry −wise bodies, thus making it difficult to understand State-wise distribution of funds. The funds allocated /released and utilised for the purpose during the last three years and the current year are given below:

<pre> (Rs in crore)
Year Allocated (RE/BE) Expenditure
2013-14 2600 2281.15
2014-15 2500 2389.40
2015-16 2620 2440.56
2016-17 3000 1512.12*
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*Upto 30th, September, 2016.